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Automotive News

OCTOBER 21, 1991

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latenews

CAFE of 37.1 called possible

WASHINGTON — A corporate average fuel economy standard of 35.5 mpg could be achieved by the 2001 model year without any breakthroughs in technology, the Office of Technology Assessment has concluded.

The group said CAFE could rise to 37.1 mpg by 2005 without major disruptions in the auto industry. The current standard is 27.5 mpg.

Congress' research arm said a 29-mpg CAFE is about all that can be expected by 1996, because work on 1996 models has already begun. The study was hailed by Sen. Bennett Johnston, D-La., who said the numbers are very close to those he expects to introduce soon into the Senate's CAFE debate.

The Big 3 attacked the study, saying the CAFE numbers would "assure major disruptions to the industry, decreased employment for the domestic automakers and require major changes to the types of vehicles available to consumers."

— Max Gates

Big 3 to stay deep in the red

DETROIT — Big 3 earnings reports, which are due soon, are expected to

see LATE NEWS, 2

Kia plans U.S. dealer network, 2 new models

OLES GADACZ
Staff Correspondent

SEOUL — Kia Motors Corp., the Ford Motor Co. affiliate that is South Korea's second largest automaker, confirmed last week that it will enter the U.S. market in 1993-94 with two new models and its own independent dealer network.

Kia Chairman Kim Sun-Hong disclosed in an interview Friday that the company's two new models were designed from the ground up for the U.S. market, and that it is actively searching for Americans to fill the top two management spots in a company yet to be set up.

"The vehicle designs were developed especially for the tastes

see KIA, 60

Isuzu calls on GM for help

Japanese maker expects $377 million loss for '91

MARY ANN MASKERY
Staff Reporter

TOKYO — General Motors in coming weeks will step in and take an active management role in Isuzu Motors Ltd., the troubled Japanese vehicle maker expected to report a loss of some 49 billion yen (about $377 million) for the fiscal year ending Oct. 31.

According to a senior Isuzu official close to the negotiations, GM and Isuzu executives have been discussing ways for the U.S. automaker to help its Japanese affiliate back to profitability.

According to the insider, GM's contributions could include broad marketing and distribution assistance, as well as taking an unspecified "active" management role.

But the official, who declined to be identified, scotched rumors that GM would raise its stake in Isuzu to a controlling 51 percent from 37.4 percent now.

GM is already an active partner in Isuzu, and it was not immediately clear how its role could be sharpened without taking over management. Isuzu builds the Geo Storm for sale by GM in the United States, and markets Opels in Japan.

In Europe, the two companies co-produce vehicles in Britain, and Isuzus are sold almost exclusively by GM dealers.

Amid slumping sales in its export and home markets, Isuzu last week raised its earlier forecasted loss for the fiscal year from $270 million to $377 million. The company, which earned 15.4 billion yen in the fiscal year ended Oct. 31, 1990, said it now expects to lose as much as 30 billion yen in the just beginning year as well.

GM's game plan for Isuzu is based on the understanding that the company has solid resources and that its losses are a management problem, the source said.

see ISUZU, 57

Honda rarely shows concept cars, but this year has the FS-X, an environment-friendly, 4wd luxury sedan.

Spotlight turns to Tokyo

Automakers stress safety, social responsibility at show

RICHARD JOHNSON
Staff Reporter

TOKYO — The biennial Tokyo motor show that opens Wednesday promises to shape up much like the last two — a concept-car extravaganza overshadowing the rival Frankfurt show that precedes it by only a few weeks.

It has been a familiar script. In both 1987 and 1989, the German manufacturers at Frankfurt were long on tradition and short on dazzling new product — at least product they were willing to display. Then the Japanese took the stage with a spectacle that induced every reaction but boredom.

Not surprisingly, the Japanese this year will use their Makuhari Convention Center forum to demonstrate how they'll respond to environmental, safety and legislative demands of the new decade. The official theme is "Discovering New Relationships — Man, Car and the Earth as One."

In a sharp pullback from the 1989 credo of muscle for muscle's sake, Japanese carmakers are emphasizing social responsibility and are showing high-tech machines that very consciously attempt to cater to human beings.

Honda, for example, has scrupulously avoided 8-, 10- or 12-cylinder powerplants for its upscale sport sedan prototype, the FS-X. Similarly, Toyota and Nissan are believed to have dropped plans to display V-12s at the show. Only Isuzu will go against the grain this year with a V-12 "grand sports-utility vehicle."

Nissan's "Feel The Beat" promotional theme in Japan will be replaced by "Life Together Nissan" after the motor show. Mazda's show theme is "Friendly To People, Kind To The Environment." And Mitsubishi has chimed in with "Human Scale Technology."

Toyota Motor Corp.'s holistic approach is embodied in the theme "What Is a Good Car?" The lightweight, aerodynamic AXV-III that will be shown here is powered by a 24-valve experimental lean-burn V-6 and is being promoted as Toyota's "gentler" sedan, meant to be "gentler on people, society and the environment."

Its active safety systems include a cruise-control function that senses distances from other vehicles in congested and high-speed traffic. A voice responds when the car veers out of lane. It also offers a fully automatic system for "garaging" that takes over complete control of steering, brakes and transmission for automatic parking in tight spaces.

Polygonal body members improve energy absorption, and the car has air bags for both driver and passenger. Four-zone air conditioning adds to creature comfort, and a shift-by-wire electric automatic transmission makes driving easier.

The aerodynamic AXV-IV commuter car, powered by an 804cc two-stroke, is a shade under 134 inches long. But it attempts to reconcile a comfortable interior, aerodynamic exterior, lightweight body and good driving performance in a small package.

Toyota's Calty Design Research styling center in California penned the Avalon, a four-seat convert-

see TOKYO, 58

Some firms react to harassment

KATHY JACKSON and LIZ PINTO
Staff Reporters

From suggestive hoots and howls on the assembly line to demands for sex behind closed office doors, sexual harassment in the auto industry is the norm, not the exception, say women workers.

"I remember one boss walking up to a girl on the line saying, 'Why don't you just jump up here on the car and I'll eat you in front of God and everybody,' " asserts one female auto worker.

Every auto company operating in the United States has policies forbidding sexual harassment on the job. But in the wake of the intense national debate that swirled around Senate confirmation hearings for the Supreme Court appointment of Clarence Thomas, some companies will give

see HARASS, 57

How they sell

As the 1992 models change, so do the advertising and marketing programs that support them. Highlights of this year's spins appear in *Automotive News Insight*, which follows Page 32.

1,000 dealers look into Amati 18

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Higher rebates on '92s cut into sales of older Fords. PAGE 6

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correction

An Oct. 14 article incorrectly reported that Penske Corp. owns Leaseway Transportation Corp. Penske Truck Leasing Inc. owns a former division of Leaseway, but Leaseway Transportation is an independent company.

HANS G. LEHMANN/HIDDEN IMAGE

Facelift for Regal

A revised front-end design being considered for the four-door Buick Regal would give it a large, rounded grille that looks similar to the Buick Century. The hood of this prototype also sports a rounded center bulge running from the grille back the length of the hood.

latenews

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show a combined third-quarter loss of about $1.9 billion, auto analysts say.

A survey of Wall Street analysts shows that General Motors lost about $1.2 billion and Ford Motor Co. lost $478 million in the July-September period. Both companies are expected to issue their financial reports this week.

Chrysler Corp. will post a loss of about $191 million when it releases its results next week, analysts say.

The July-September period is typically weak, and this year it was made worse by recession. The third-quarter deficits will follow a combined Big 3 loss of $3.2 million during the first half. In the third quarter of 1990, when the current profit slide began, the Big 3 lost $2.1 billion.

— The Associated Press

GM denies job bias against black nurse

DETROIT — General Motors has been charged with discriminating against a black nurse by allegedly promoting less-qualified whites ahead of her, the Michigan civil rights department said last week.

GM spokesman John Maciarz said the company denied the allegation.

The department said Naomi Scott, a part-time industrial nurse in Detroit, was passed over for full-time employment at least twice in favor of white applicants.

The first instance occurred in October 1985, the civil rights agency alleged.

Public hearings have been scheduled for Nov. 4-5 in Detroit.

— The Associated Press

Ford says angry workers ransacked Mexico offices

MEXICO CITY — Ford Motor Co. says a group of disgruntled workers and labor representatives ransacked the lobby of its Mexican subsidiary headquarters in Mexico City earlier this month.

The incident is the latest in a two-year quarrel between Ford and some dissident employees there. A group broke into the building's lobby, damaging furniture, spray-painting walls and destroying artwork.

The company filed a complaint with local police, but no arrests have been made.

The dissidents have been at odds with Ford since losing a union election at the company's Cuautitlan, Mexico, plant two years ago.

GM names Haas to head quality and reliability

DETROIT — Ronald H. Haas has been named to succeed Edward P. Czapor as General Motors vice president in charge of quality and reliability. Czapor, 65, will retire Nov. 1 after 43 years with GM.

Haas, 54, has headed the current engineering and manufacturing staff since 1988. He has been a GM vice president since 1986, when he was placed in charge of the advanced engineering staff. He joined GM in 1966.

Czapor rose through GM's Delco divisions. He became a vice president in 1981 and has headed quality and reliability since 1985.

Iacocca to fade out of Chrysler advertising

AUBURN HILLS, Mich. — Chrysler Corp. Chairman Lee Iacocca will play a reduced role in the company's advertising as he heads toward retirement at the end of 1992.

"I intend to phase out," Iacocca said at a press briefing following the dedication of the new $1 billion Chrysler Technology Center last week. "There was a time to do it. I don't think it's needed anymore."

Iacocca's ability to convince people to buy Chrysler products as the company struggled back from bankruptcy in the early 1980s is considered a key factor in Chrysler's famed turn-around.

— Mary Connelly

British Ford isn't buying union bid for 7% raise

LONDON — Blue-collar Ford of Britain workers are demanding a 7 percent pay hike as negotiations for a new two-year contract begin.

There is the usual disparity of view.

Ford says:

- Inflation is only 4.1 percent.
- Sales are down 100,000 units.
- Ford's British unit lost almost $500 million last year.
- "We are probably under the worst pressure ever, with an unprecedented decline in the U.K., the U.S. and the rest of the world all happening at the same time," said personnel director John Hougham.

The Transport and General Workers' Union says:

- Rover and Peugeot Talbot are about to give workers a 7.5 percent raise.
- "Ford's position as a market leader means the company is well-placed to benefit from an upturn in the market," said chief union negotiator Jack Adams.

— Vaughn Freeman

GM to spend $44 million to upgrade emission labs

MILFORD, Mich. — General Motors will spend $44 million to expand and upgrade its emissions labs here in order to conduct rigorous cold-start and hot-temperature evaporative emissions tests required by the Environmental Protection Agency and the California Air Resources Board.

Another lab upgrade will allow the company to recognize in emissions a hydrocarbon compound's propensity to facilitate the formation of ozone.

The expansion began this summer and should be completed by mid-1993.

briefly

'Luxury' is not rich enough

Erich Krampe, president and chief executive officer of **Mercedes-Benz of North America,** told the International Motor Press Association last week that "luxury" is getting to be a meaningless term, being applied to cars that range in price from $13,000 to ten times that much. He said Mercedes' new S-class cars, which start at $69,400, belong to a new "premium" luxury market, where entries are priced above $65,000 and are set apart by image, high-tech features and "super-duper" customer service. Besides other cars, the competition in that bracket includes "a vacation home or a yacht."

ROCK-SOLID SUPPORT — Chairman Lee Iacocca bristles at the notion that **Chrysler** is living beyond its means at the architecturally striking $1 billion Chrysler Technology Center, dedicated in Auburn Hills, Mich., last week. (Story on Page 4.) "It's perception again," Iacocca lamented in an interview. "I have kiddingly said that the granite is so good looking that I wish I had stuccoed it. But it's got to last 100 years."

POLITE TO A POLITICIAN — In the end, good manners won out. Michigan Gov. John Engler was a speaker and featured guest as Lee Iacocca hosted more than 1,000 guests at the formal dedication of the **Chrysler** Technology Center last week. But just days prior to the dedication, Engler vetoed $1.6 million in state money that had been targeted for site development at the center and at Chrysler's new Jefferson North assembly plant in Detroit. "We got dunned for $1.6 million. But I didn't think today was the day to bring it up," Iacocca said when asked if he had complained to Engler.

Iacocca: timing wasn't right

DUELLING LOGOS — **Mazda** announced its **Amati** luxury division channel in August but did not unveil a logo. The reason? A non-profit organization in Canada, which Amati won't name, uses a symbol "vaguely similar" to the one Amati wants to use in both Canada and the United States. Amati approached the group and expects to negotiate a settlement soon.

MADE A MILLION, EH? — The **General Motors** Oshawa, Ontario, truck plant built its 1 millionth C/K pickup last week. Production of the redesigned C/K series began in early 1987. The milestone unit was a two-tone gray GMC half-ton pickup.

THEY'RE OF TWO MINDS — **Mitsubishi** calls it the Expo LRV. **Chrysler** calls it the **Eagle** Summit wagon. But these identical twins prompt different reactions from the folks in Highland Park, Mich. Chrysler looks askance at the Mitsubishi Expo LRV and says it is a minivan that's being dumped in the United States in a Big 3 complaint pending before the U.S. Commerce Department. But when the wagon wears the Eagle Summit badge, Chrysler thinks it is a car. And a good car at that. Chrysler has entered it in the Motor Trend Import Car of the Year competition.

Oct. 1-10 sales decline 7%

Ford, Chevy truck sales tumble

JIM HENRY
Staff Reporter

Toyota and Honda fared well in sales in an otherwise lackluster early October.

Overall sales fell 7.0 percent, to 304,109, in the first sales period of the 1992 model year. Cars and light trucks were off by about the same percentage.

Sales declined for each of the U.S. Big 3. General Motors was off 16.9 percent; Ford Motor Co. fell 8.4 percent, and Chrysler Corp. dipped an estimated 12.5 percent.

Some of the decline appeared to stem from a late-September race between Ford and Chevrolet for the 1991 model year's full-sized pickup crown, which Ford won.

"There was such a fever to win at both organizations that dealers were trying to do any kind of deal they could," said Ford Motor Co. sales analyst Joel Pitcoff. "I would expect payback for most of the month."

Sales of full-sized pickups fell 30 percent for Ford and 11 percent for Chevrolet, Pitcoff said. Conversely, GMC was down only 3 percent in that category, and Dodge was up 12 percent, he said.

Pitcoff said the fact that early October was the first sales period of the new model year probably isn't all that significant because there are still a lot of 1991 models around and buyers aren't necessarily aware of what's new for 1992.

New models helped sales at Toyota Motor Sales U.S.A. Inc., which posted an increase of 39.1 percent over last year. The company reported across-the-board hikes in imports and domestics, cars and trucks.

Toyota said sales of the new Lexus ES300 were more than double those of the the model it replaced, the ES250. Sales of the restyled Toyota Camry were up 16.4 percent.

Sales for American Honda Motor Co. Inc. shot up 29.1 percent. Deliveries at Honda Division rose 30.8 percent, and Acura was up 19.9 percent.

Sales rose 0.6 percent for Nissan Motor Corp. in U.S.A. A gain by Infiniti offset a slight decline in Nissan brand volume.

In addition to Chrysler's sales, *Automotive News* estimates 10-day sales for most imports.

10-DAY CAR AND TRUCK SALES, BY MAKE

	Oct. 1-10, 1991	Oct. 1-10, 1990
ALFA ROMEO		
(imp. car)*	44	77
Acura (imp. car)	3,240	2,783
Domestic car	13,560	9,313
Imported car	5,357	5,152
Honda	18,917	14,465
AMERICAN HONDA	22,157	17,168
ASTON MARTIN		
(imp. car)*	1	1
BMW (imp. car)*	929	1,036
Domestic car*	4,420	5,602
Imported car*	43	43
Domestic truck*	87	51
Chrysler Division*	4,550	5,696
Domestic car*	8,540	12,394
Imported car*	678	487
Domestic truck*	9,865	9,117
Imported truck*	64	163
Dodge*	19,147	22,161
Domestic car*	1,980	971
Imported car*	183	201
Eagle*	2,163	1,172
Domestic truck*	3,811	3,990
Jeep*	3,811	3,990
Domestic car*	5,060	7,267
Imported car*	407	406
Domestic truck*	3,637	3,600
Plymouth*	9,103	11,273
Domestic car*	20,000	26,234
Imported car*	1,311	1,136
Domestic truck*	17,399	16,758
Imported truck*	64	163
CHRYSLER CORP.*	38,774	44,232
Imported car*	99	183
Imported truck*	31	68
DAIHATSU*	131	250
FERRARI (imp. car)*	16	16
Domestic car	31,956	32,927
Imported car	1,512	1,072
Domestic truck	26,447	32,052
Ford Division	59,915	66,051
Domestic car	3,904	6,858
Lincoln	3,904	6,858
Domestic car	9,486	8,619
Imported car	2,488	2,055
Mercury	11,974	10,674
Domestic car	45,346	47,604
Imported car	4,000	3,127
Domestic truck	26,447	32,052
FORD MOTOR CO.	75,793	82,783
Domestic car	12,987	14,446
Buick	12,987	14,446
Domestic car	6,666	8,571
Cadillac	6,666	8,571
Domestic car	28,178	30,345
Imported car	1,503	2,515
Domestic truck	23,549	26,696
Imported truck	40	42
Chevrolet	53,270	59,598
GMC	6,740	7,256
Domestic car	11,226	13,401
Domestic truck	644	667
Oldsmobile	11,870	14,068
Domestic car	10,349	22,277
Imported car	525	475
Domestic truck	895	635
Pontiac	11,769	23,387
Domestic car	2,515	0
Saturn	2,515	0
Domestic car	71,921	89,040
Imported car	2,028	2,990
Domestic truck	31,828	35,264
Imported truck	40	42
GENERAL MOTORS	105,817	127,336
HYUNDAI*†	2,483	2,061
Imported car*	199	131
Domestic truck	755	582
Imported truck*	1,666	1,690
ISUZU*	2,620	2,402
JAGUAR (imp. car)*	146	344
LAMBORGHINI (imp. car)*	3	3
LOTUS (imp. car)*	5	5
MASERATI (imp. car)*	4	4
Domestic car	1,077	1,184
Imported car*	2,034	2,179
Domestic truck	258	154
Imported truck*	2,043	1,937
MAZDA*	5,412	5,455
MERCEDES-BENZ		
(imp. car)*	1,072	1,347
Domestic car	1,018	1,092
Imported car*	1,442	1,141
Imported truck*	537	351
MITSUBISHI*	2,997	2,584
Infiniti	551	409
Domestic car	1,598	1,820
Imported car*	5,728	5,576
Domestic truck	2,507	2,083
Imported truck*	3,362	3,783
Nissan*	13,195	13,262
NISSAN MOTOR CORP.	13,747	13,671
PEUGEOT (imp. car)*	89	53
PORSCHE (imp. car)*	69	112
RANGE ROVER		
(imp. truck)*	56	89
ROLLS/BENTLEY		
(imp. car)*	4	10
SAAB (imp. car)*	445	280
STERLING (imp. car)*	57	56
Domestic car	1,435	299
Imported car*	889	1,710
SUBARU*	2,324	2,009
Imported car	105	167
Imported truck	233	168
SUZUKI†	338	335
Lexus (imp. car)	2,190	1,463
Domestic car	8,271	5,753
Imported car	9,176	5,907
Imported truck	6,458	5,642
Toyota	23,905	17,382
TOYOTA MOTOR SALES	26,095	18,765
Audi (imp. car)*	239	581
Imported car*	1,492	2,273
Imported truck*	72	91
Volkswagen*	1,564	2,364
VWoA*	1,803	2,865
VOLVO*†	691	1,624
YUGO (imp. car)*	65	73
Domestic car	164,226	182,339
Imported car	46,124	43,846
TOTAL CAR	210,350	226,185
Domestic truck	79,195	86,893
Imported truck	14,564	14,816
TOTAL TRUCK	93,759	100,909
TOTAL CAR & TRK	304,109	327,094

*Estimated †Breakdown of North American built and imported car sales not available.
There were 9 selling days in the period this year and 9 last year.

Used-car buyers not brand loyal

Average dealer sells 40 units a month

CHARLES M. THOMAS
Staff Reporter

Nameplates mean a lot less in the used-car market than they do in the new-car market. That's because a customer's perception of model quality and desirability blurs when it comes to comparing and buying used cars.

"Used cars are sold on their own merits without a lot of brand loyalty," said George Parker, an instructor at the National Automobile Dealers Association Dealer Candidate Academy.

Parker, who studies used-vehicle trends at new-car dealerships, said the average franchised dealer has 78 used cars in stock and sells 38 to 40 used units every month. Of those vehicles, 58 percent are domestic brands, and 42 percent are imports.

Thirty-six percent of the vehicles have been in a dealer's inventory more than 30 days, said Parker, who spoke last month at the National Auto Auction Association convention.

He said dealers should get rid of cars not sold after 30 days either by wholesaling them to auto auctions or selling to wholesalers.

According to Parker, 65 percent of franchised dealers attend auto auctions every week; 22 percent attend monthly; 11 percent attend quarterly, and 2 percent attend annually.

Only 3 percent of franchised dealers use auctions exclusively to wholesale their trade-ins. Fifty-three percent of dealers prefer wholesalers because they are more convenient.

According to the survey, 44 percent of the dealers use auctions and wholesalers to buy and sell cars.

And 76 percent of dealers attend auto auctions to buy program vehicles. "The key is to get the dealer to buy from the consignment or fleet-lease lanes," said Parker.

He said 27 percent of dealers surveyed will buy from repossession and fleet-lease lanes. That is an increase of 10 percentage points over two years ago.

Sixty-seven percent of the vehicles taken in trade in a dealership are retailed, and 33 percent are wholesaled.

"That means wholesale is a big part of a dealer's operation, whether the vehicles are being taken to the auction or sold to wholesalers," said Parker.

According to the study, one of every three used vehicles that a dealer sells comes from an auction. Trade-ins on new cars account for 33 percent; trade-ins on used cars account for 14 percent; program cars account for 14 percent, and street purchases account for 7 percent.

"Dealers are making $1,169 gross on a vehicle purchased at auction compared to $1,086 on a trade-in for a new car," said Parker. "They are making more money on cars from auctions than on the ones they are trading for at their front door."

Preparing vehicles for sale can be expensive. Dealers pay more to prepare wholesalers' vehicles for resale than vehicles from other sources. Program vehicles cost the least.

Reconditioning costs average $162 for factory program cars, $235 for new-car trade-ins, $288 for used-car trade-ins, $293 for auction cars from dealer consignment lanes, $303 for street purchases, $308 for dealership-owned cars and $310 for cars purchased from wholesalers.

Parker also analyzes which model years sell quickest in the used-car market. Current models account for 14 percent of sales, and year-old vehicles account for 17 percent of sales. Thus, 31 percent of the used cars sold by new-car dealers are current model year or a year old.

Vehicles more than five years old account for 22 percent of sales, and vehicles six years or older represent 20 percent of sales.

Dealers' average gross on a current model year used car is $1,139; gross on a one-year-old vehicle is $1,236, and on vehicles more than six years old it's $945.

"Program units and late models are a big part of dealer income," said Parker.

According to the study, a vehicle that stays in inventory 10 days brings an average gross of $1,279; the second 10 days will average $1,297; 30 days, $1,237; 45 days, $1,201; 60 days, $1,025, and 90 days, $1,051. Profits on vehicles held in inventory more than 90 days dip to $636.

"Aging is a real killer," said Parker.

The survey was conducted in three parts among representatives from 250 dealerships attending the last nine classes at the NADA Dealer Candidate Academy.

JOE WILSSENS/AUTOMOTIVE NEWS

Dealers are making an average gross of $1,169 on vehicles bought at auctions, says NADA instructor George Parker.

PROFITS ON USED CARS, BY SOURCE

Gross profit on used-car sales by franchised auto dealers varies according to the source of the used car.

Source	Gross profit
Bought on the street	$1,288
Wholesaler	$1,243
Auction, fleet-lease	$1,169
Auction, program	$1,155
Dealership-owned	$1,137
New-car sale trade-in	$1,086
Used-car sale trade-in	$1,035

Source: NADA

Fiat budgets $200 million in bid to boost Britain sales

VAUGHN FREEMAN
Special Correspondent

LONDON — The Fiat Group of Italy, whose home-market sales have been badly eroded by arch-rival Ford of Europe, said last week it will spend nearly $200 million over the next three years to boost sales in Britain — Ford's home turf.

Fiat said it will spend the money to upgrade dealers, to promote products and to build 20 new company-owned dealerships in key city centers. The automaker, which markets the Fiat, Lancia and Alfa Romeo marques in the United Kingdom, has about 300 dealers here.

"This represents a major commitment to the British market," said Mario Massaro, managing director of Fiat U.K. Ltd. "This investment will strengthen our dealership network."

Although Fiat is Europe's second biggest automaker after Volkswagen Group, it has not been a major player in Britain for many years. Its market share for the year through September fell to 2.2 percent from 2.9 percent for all of 1990.

Volume for the year has fallen 37 percent, to 34,487 units, while the British market is off 22 percent.

Analysts say Fiat's cash injection into its dealer activities is coming none too soon. In a recent survey by the Retail Motor Industry Federation, the trade group for British dealers, the Italian automaker was ranked last in terms of dealer satisfaction.

Fiat's share in Italy has ranged as high as 60 percent in recent years. In a major price-led push in the Italian market, however, Ford picked up 7 points of share there earlier this year, rising to 11 percent, while Fiat fell to 47.5 percent from 54 percent.

trucks

Decline in truck orders raises buyer credit issue

JOSEPH BOHN
Truck Editor

Medium- and heavy-truck sales continue to be disappointing, with little upturn in sight.

Analysts had anticipated net new heavy-truck orders of 8,000 to 8,500 for September.

Preliminary indications from Rothschild Inc., a New York investment firm, put them closer to 7,000. That is down from 7,776 orders in August and 9,127 in September 1990.

The trend reverses what had been a gradual strengthening during the past three months. Net new Class 8 orders had risen from 5,786 in June to 7,020 in July and 7,776 in August.

The latest figures, which presage future retail sales since it takes two to three months to fill them, point to a very disappointing 1991 total.

It now appears Class 8 retail sales will be near 100,000 for calendar 1991, down sharply from 121,226 last year, and the lowest in the past five years.

Frank Prezelski, an analyst with Rothschild, said that based on his conversations with captive finance subsidiaries of companies like PACCAR Inc. and Navistar International Corp., commercial truck buyers may be running into credit problems.

"Truck buyers appear to be having trouble getting financing," Prezelski said.

Prezelski said he attended a truck industry seminar and found it may not be so much the actual availability or cost of credit but all the caveats and restrictions being applied that are slowing truck purchases.

"There may be requirements for a higher down payment, more equity. Contracts may be tighter, so if a buyer misses a payment, his truck gets repossessed more quickly," said Prezelski.

But Richard G. Lanahan, executive vice president of Associates Commercial Corp. in Dallas, felt that the economy, rather than the banking community, was to blame.

"There's less demand for new trucks because there's less freight being hauled. A lot of equipment that would normally be replaced is parked in yards," Lanahan said.

He said there are probably some banks in certain markets that had withdrawn some funding for small and medium carriers — but not major ones.

Captive finance companies of major truck manufacturers and independents like Associates Commercial have readily stepped in to fill any lending void created by banks, Lanahan said.

"We've seen among our competitors there's a big appetite to provide financing (for truck purchases)," he added.

"We (Associates) probably picked up more traditional bank financing than ever," he said.

As an example, he said Associates' share of heavy-truck purchases and leasing business had increased from 8.75 percent in 1989 to 10.51 percent by August 1991.

During the same period, its share of trailer purchases and lease business had increased from 7.25 percent to 14.49 percent. And that was prior to the company's purchase of Fruehauf Corp.'s captive finance company in 1987, and Great Dane Corp.'s subsidiary in 1988.

Lanahan did note, though, that earlier in January and February, Associates had had more requests for ancillary financing than he'd ever seen.

This typically consisted of trucking companies asking if they could use the equity in their equipment as collateral to buy permits, license plates and insurance for their vehicles, after being turned down by banks.

Typically, such costs can average $2,000 a vehicle, Lanahan said, noting one company with 150 vehicles that needed $300,000 as a down payment on its insurance and to cover plates and permits.

To the extent that some trucking companies may have had to borrow money for such needs, it may have affected their ability to finance vehicle purchases, Lanahan said.

SEPTEMBER 1991 TRUCK SALES BY GVW

	Sept. 1991	Sept. 1990	9 mos., 1991	9 mos., 1990
Class 1-3	123,140	103,577	911,730	1,061,910
Class 4	1,977	1,944	15,695	21,282
Class 6	394	615	4,066	4,666
Class 7	1,265	2,300	15,002	21,164
Class 8	762	975	6,308	10,363
FORD	**127,538**	**109,411**	**952,801**	**1,119,385**
Class 6	11	0	12	0
Class 7	81	0	90	0
Class 8	2080	1771	16,563	17,999
FREIGHTLINER	**2,172**	**1,771**	**16,665**	**17,999**
Class 1-3	102,134	102,996	828,209	985,589
Class 4	233	0	1,325	0
Class 5	5	8	99	208
Class 6	133	1,107	2,218	5,961
Class 7	385	695	4,655	5,531
CHEVROLET	**102,890**	**104,806**	**836,506**	**997,289**
Class 1-3	24,005	23,284	216,177	252,712
Class 4	73	0	786	0
Class 5	37	25	278	1,909
Class 6	187	433	2,628	4,210
Class 7	817	1,202	10,307	11,223
GMC	**25,119**	**24,944**	**230,176**	**270,054**
Class 7	15	51	202	328
Class 8	1,022	1,140	8,506	11,226
KENWORTH	**1,037**	**1,191**	**8,708**	**11,554**
Class 6	37	92	381	910
Class 7	49	123	509	1,215
Class 8	809	982	7,797	11,542
MACK	**895**	**1,197**	**8,687**	**13,667**
Class 6	37	36	259	414
Class 7	45	113	584	882
MERCEDES-BENZ	**82**	**149**	**843**	**1,296**
Class 4	7	6	24	49
Class 5	1	6	24	94
Class 6	621	610	6,104	9,316
Class 7	2,214	2,547	23,847	23,245
Class 8	1,495	2,094	16,602	20,545
NAVISTAR	**4,338**	**5,263**	**46,601**	**53,249**
Class 7	17	21	186	303
Class 8	805	856	7,049	9,130
PETERBILT	**822**	**877**	**7,235**	**9,433**
Class 7	157	60	822	557
Class 8	1,213	1,010	8,424	10,566
VOLVO/GM HEAVY	**1,370**	**1,070**	**9,246**	**11,123**
Class 1-3	15	21	181	246
Class 4	11	0	39	0
Class 5	40	52	303	378
Class 6	45	67	421	511
Class 7	49	94	466	738
HINO	**160**	**234**	**1,410**	**1,873**
Class 1-3	78	48	490	515
Class 5	74	83	563	706
Class 6	81	40	382	402
Class 7	41	44	279	384
NISSAN DIESEL	**274**	**215**	**1,714**	**2,007**
Class 1-3	471	666	4,679	4,992
Class 4	148	42	828	509
Class 5	61	28	659	306
Class 6	64	246	617	1,608
Class 7	22	18	175	407
ISUZU TRUCK	**766**	**1,000**	**6,958**	**7,822**
Class 1-3	164	127	1,290	1,380
Class 5	59	44	494	496
Class 6	38	19	299	207
Class 7	20	34	254	402
MITSUBISHI FUSO	**281**	**224**	**2,337**	**2,485**
SCANIA Class 8	**4**	**6**	**41**	**78**
Class 1-3	0	114	908	1,209
Class 4	0	36	297	398
Class 5	0	11	149	191
Class 6	0	3	96	115
IVECO TRUCKS*	**0**	**164**	**1,450**	**1,913**
WESTERN STAR Class 8	**47**	**61**	**466**	**745**
Class 1-3	126,287	123,045	1,044,897	1,274,488
Class 6, 7, 8	20	32	337	496
OTHER TRUCKS	**126,307**	**123,077**	**1,045,234**	**1,274,984**
CLASS 1-3	**376,294**	**353,878**	**3,008,561**	**3,583,041**
CLASS 4	**2,449**	**2,028**	**18,994**	**22,238**
CLASS 5	**277**	**257**	**2,569**	**4,288**
CLASS 6	**1,648**	**3,268**	**17,483**	**28,354**
CLASS 7	**5,177**	**7,302**	**57,378**	**66,380**
CLASS 8	**8,257**	**8,927**	**72,093**	**92,655**
TOTAL TRUCKS	**394,102**	**375,660**	**3,177,078**	**3,796,956**

*1991 figures are Automotive News estimates. Source: Automotive News Data Center and MVMA

in brief

TRUCKS

Freightliner lands record order

PORTLAND, Ore. — Freightliner Corp. landed its largest-ever order for 1,000 Class 8 trucks from Werner Enterprises Inc. of Omaha, Neb.

Deliveries of the long-haul trucks will continue through next summer, according to Jim Hebe, Freightliner executive vice president.

New finance plan from Volvo GM

GREENSBORO, N.C. — Volvo GM Heavy Truck Corp. and General Motors Acceptance Corp. have introduced a non-recourse financing program, designed to increase financing flexibility, reduce contingent risk and provide more favorable terms on handling repossessions while increasing dealer profits.

Under the plan, dealers have no financial liability for new trucks repossessed from customers with excellent credit ratings other than safekeeping and remarketing of the vehicles for 90 days.

New trucks covered under the new program require a minimum down payment of 15 percent and a maximum financing period of 60 months, according to Edward Brown, Volvo GM director of dealer operations.

Allison plans rollout for new transmissions

JOSEPH BOHN
Truck Editor

General Motors' Allison Transmission Division in Indianapolis plans to introduce a new version of its six-speed, electronically controlled transmission every six months for the next several years.

The models have closed-loop and adaptive controls, meaning they continuously read temperature and operating conditions and adjust to them.

The division began producing the first of three truck versions of its new MD transmission in September, according to Al Huevel, world transmission marketing manager.

The transmission is designed for mid-range diesel-engine trucks, small Class 8s and other vehicles for applications such as pickup and delivery vehicles, utility and dump trucks, short-haul tractors, motor homes, fire trucks, school buses and refuse, recycling and beverage vehicles.

Allison also has a good shot at a new 11,000-unit military contract for tactical vehicles that will be announced soon, Huevel said.

In February 1993, an HD version of the world transmission will go into production for heavy-duty diesel engine Class 8 vehicles.

It will fit basically all the same vocational applications as the MD, but it will have enough power to handle engines up to 450 horsepower.

The AD version of the world transmission will go into production in April 1994. It will be for medium-duty gasoline and diesel engines up to 270 hp.

Typically, they are used in conventional Class 7 and 8 straight trucks and tractor trailers and also in GM's lighter P-chassis and other motor home chassis.

A family of bus transmissions, the B-300 and B-400, will go into production next September.

They are similar to the MD, but were modified extensively for the special needs of the bus market.

The B-500, a bus-market version of the HD transmission, will go into production in August 1993. The B-200, a bus version of the AD, will be built in October 1994.

Allison will continue to produce its AT 542 and 545 transmissions after new models go into production "as long as there is customer demand," said Don Brindle, world transmission manager.

Allison will use the AD model to bridge the price gap between the AT and the MD.

But Huevel said that initial studies by Allison showed the installed cost of the new transmissions to be equal to, or slightly less, than its current products.

He said that Allison's field tests also show they get about 9 percent better fuel economy than competitive manual transmissions.

Allison will unveil its new transmission to Europe at January's Geneva truck show and to Japan later in 1992.

More truck losses expected

Heavy-truck demand, currently projected at 100,000 sales for calendar 1991, is well below the break even point for manufacturers.

Frank Prezelski, an analyst with Rothschild Inc. in New York, looks for Navistar International to lose even more money in its fiscal fourth quarter than in the third quarter ended July 31, when it lost $31.0 million.

Navistar lost $98.0 million in the first nine months of fiscal 1991.

Mack Trucks Inc.'s $71.9 million loss for the six months ended June 30, as reported by *The London Times*, is a slight improvement over the $97 million it lost in like 1990.

PACCAR Inc. lost $29.3 million on its manufacturing operations for the first half ended June 30 and only managed an overall $19.1 million net profit, due to other activities.

Makers' Marks

Reaching the right prospects is more expensive, more difficult and more important than ever

By: Raymond Serafin

Three decades ago, Marshall McLuhan put forth the idea that "the medium is the message." You could argue that he was simply anticipating the auto marketing landscape of the 1990s.

The proliferation of car and light-truck brands during the last decade coincided with a rapid fragmentation of available media, brought on largely by the end of TV network dominance.

The result: It's more important than ever for an automaker to get its message to the right prospects, but harder and more expensive than ever to accomplish that goal.

"Routinely buying prime-time television and being in there against the other 300 models is not going to do it," advises John Damoose, vice president of marketing for Chrysler Corp. "You can have great creative, but it's useless if you don't tell your story with (media) impact and weight."

Media usage is no longer just a tactical question. Leading-edge auto marketers are taking a strategic approach to media, matching it to marketing objectives.

The automotive category accounted for $5.7 billion in measured media advertising in 1990, making it the second biggest ad spending category, trailing only retail, according to *Advertising Age*. That doesn't include unmeasured media such as direct mail, telemarketing, videocassettes, computer discs and special programming created for closed-circuit channels in places such as doctor's offices and airline terminals.

Combine big bucks with big marketing needs, and you get automakers and media companies breaking new ground and writing big stories.

Among them:

- Chrysler Corp. signed a major cross-media deal with Time Warner built around a series of advertorials and special issues of *Fortune*, *People* and *Life*, all using a "Rediscover America" theme. The deal also gave Chrysler access to areas such as product placements in movies, TV programming development, and use of records, books and videos as premiums. General Motors and Mazda Motors of America followed with their own deals with Time Warner.
- GM signed an estimated $400 million, seven-year deal with CBS for sponsorship of regular season and Final Four NCAA basketball, the largest and longest deal ever involving a single sports property.
- Chrysler will be the biggest single sponsor of the 1992 and 1994 Winter Olympics with a $106 million package with CBS.
- GM at $140 million and Toyota Motor Sales USA at $130 million are the biggest backers of baseball in four-year deals with CBS.
- GM's Pontiac division and Chrysler rolled out the biggest-ever direct mail campaigns using video, between them sending 650,000 tapes to minivan prospects.
- Buick kicked off its Roadmaster Wagon launch with a multi-title magazine buy targeted at specific ZIP codes, the first time an advertiser came up with its own target list of subscribers it wanted to reach.
- Saturn Corp. and Volvo Cars of North America produced 30-minute "infomercials" that ran at programming costs which are lower than commercial time. The Saturn piece, centered on how the company and its products came into being, ran on two cable networks. Volvo is currently testing its infomercial in San Diego.
- GM and Chrysler have participated in new "place-based" media, which brings advertising to prospects out of their homes. GM is a charter sponsor of Turner Broadcasting System's The Airport Channel, now in test at six airport terminals, and of the Health Club Media Network, being tested in four cities. Chrysler is involved with Ski TV, which provides programming at ski resorts, and in programming developed for waiting rooms of doctors' offices.

Philip Guarascio, GM executive-in-charge of corporate marketing and advertising, says concerns about the diminishing effectiveness and increasing cost of traditional media created interest in finding new ways to reach potential customers.

"As the cost relationships change, things not affordable five years ago start to become affordable, and therefore there's some experimenting," he says. "Once you start to use (new media), what you do is create a learning spiral. Success breeds success, creating a momentum in that area."

Despite the rise of cable and syndicated TV opportunities, as well as other media, no one is predicting the imminent end of automaker relationships with broadcast television. Automakers spent $1.79 billion on network TV in 1990, more than they spent on any other medium and a 17.8 percent increase from 1989, according to *Advertising Age*. Spot TV was second with $1.66 billion, a reflection of the move to regionalization of marketing strategies and the growing importance of auto dealer ad groups.

"Despite declining rates and shares, network TV is still the single largest place we can go to deliver a reasonably upscale audience at a place and time," says Robert Mancini, senior vice president and director of media services at J. Walter Thompson USA in Detroit, the agency for Ford Division.

"I think the automotive advertisers in general will support it until we come to the point where it's totally lost its value. It certainly hasn't hit that at this point."

But today's consumer is more likely than ever to miss seeing an ad message that runs only on the networks. He or she has dozens of cable channels from which to choose, some of them commercial-free, not to mention a VCR that allows easy zapping of commercials.

"There are two media trends that are at odds," says Marty Choinski, senior vice president and director of media at D'Arcy Masius Benton & Bowles of Bloomfield Hills, Mich., which handles Pontiac and Cadillac divisions.

"Clients are a lot more aware of media options and are asking more questions about them," says Choinski. "At the same time, clients want more bang for the buck, and a lot of the non-traditional media are very tough to measure."

Says Chrysler's Damoose, "The average 30-second prime time TV spot today is $150,000. A single page in *Time* magazine is now $113,000. So obviously, we have to focus our efforts and spend our money carefully."

With the auto sales slump of the past few years increasing bottom-line pressures, some marketers are sticking with the tried and true.

Toyota, for instance, found out in a test that videos were more effective than regular direct mail programs, but didn't go the video route in its campaign for the redesigned 1992 Camry.

"When you have a broad audience like Camry does, there's an expense factor," says Ren Rooney, corporate marketing manager.

Marketing execs say that finding new ways to measure effectiveness is a key to effectively using media in the coming years. The traditional measurement has been CPM, a measurement of the cost-per-thousand of the number of people reached.

"CPM is a benchmark in general media terms, but it is rapidly becoming outmoded because advertisers and agencies are going to be looking more for the value of the audience in relationship to the price," says J. Walter Thompson's Mancini.

His agency helped Ford Division revamp the way it evaluates magazines this year, putting greater emphasis on factors such as reader involvement, circulation vitality and editorial environment. The result was that Ford substantially reduced the number of titles it uses, but made bigger buys in publications that remained on the schedule.

"You have to make a paradigm shift in terms of how you evaluate," says GM's Guarascio. "(CPM) will always be one of the tools that will be used. What we're trying to do is embrace a wider range of tools."

More research than ever is going into developing and assessing media strategy.

Mazda conducted a study last year of the media habits and lifestyles of its prospects, broken down by models. The study was the basis for Mazda's emphasis on more targeted media, such as spot TV and cable, in place of broader network buys, according to Jan Thompson, vice president of marketing.

For all the advances made in reaching the right prospects in the right time and place, many auto marketers say the next several years will bring even greater potential. On the horizon are data bases that provide more sophisticated information about prospects, and technological jumps such as interactive television.

"Today, we're sort of blacksmiths at this," says Stephen Lyons, general marketing manager at Ford's Lincoln-Mercury division. "We're not real good at segmenting media and the messages that go through those media. I think in the next five years the opportunities to advance are just going to be tremendous." □

Raymond Serafin heads Advertising Age's Detroit bureau.

AUTOMOTIVE AD SPENDING

Figures in millions

	1987	1988	1989	1990
Magazine	$ 677.7	$ 800.1	$ 882.5	$ 901.2
Magazines, Sunday	15.7	19.1	29.1	25.5
Newspaper	810.0	819.3	882.1	809.2
Outdoor	57.9	59.9	59.7	53.0
Radio, network	57.9	72.0	85.2	106.7
Radio, spot	156.3	196.5	117.0	120.5
TV, cable	45.3	57.2	85.9	114.1
TV, network	1,044.1	1,331.0	1,520.0	1,790.0
TV, spot	1,424.7	1,538.5	1,656.4	1,664.8
TV, syndicated	28.2	30.5	64.9	115.7
Total	$4,317.8	$4,931.3	$5,382.7	$5,700.7

Source: Advertising Age

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Sales drop 2% in Europe

DIANA T. KURYLKO
Staff Reporter

FRANKFURT — September new-car sales in Germany were slightly below last year's total, but demand in Italy, France and Spain showed the beginnings of an offsetting recovery.

The September dip in Germany was 1.2 percent. In August, the nation's sales were down 20.1 percent from 1990.

According to *Automotive News* estimates, September sales for 17 European countries slipped 2.1 percent from a year earlier, to 900,000 units. Sales for the nine-month period were up 2.2 percent, to 10.71 million.

Analysts said they are uncertain whether a clear pattern has emerged.

"We are seeing some relief in the Southern European markets. But we are at a strange crossroads, and I don't think the current figures establish a pattern," said John Lawson, who follows the industry for Nomura Research in London.

"Germany will go down, but we know the German market tends to be stronger toward the end of the year."

Germany has propped up European auto sales for most of this year, feeding new demand from the reunified eastern states. Although German sales fell 1.2 percent in September, to 234,700 units, the decline was considerably less than the August drop of 20.1 percent from a year earlier.

"Germany has fallen back, but September figures show the drop may not be as serious as previously thought," said Arthur Maher, an analyst with DRI/McGraw-Hill in London. He said he expects German sales to top 4.1 million this year, up from 3.25 million in 1990.

For the first nine months of 1990, German sales were 3.4 million, up 44 percent from last year.

The United Kingdom, Europe's fourth largest market, remained depressed, with September sales off 17.4 percent from 1990, to 126,900. Analysts were optimistic that the worst is over.

"We feel the U.K. has now bottomed out," Maher said.

Carmakers have continued their incentives in the United Kingdom, despite initial claims that the programs would not be permanent. Ford of Europe continued incentives on selected models while General Motors' Vauxhall subsidiary has cut dealer margins "in an attempt to make the consumer haggle less," Maher said.

Even the Rover Group, which stayed out of this summer's incentives war, is mailing discount offers to owners of its cars, he said.

The recession-stricken French market continued a rebound that began in July. Sales rose 2.71 percent in September, to 142,000 units.

The Italian market, which has held up better than others, was up 9.9 percent in September, to 168,400 units. Maher predicted that Italian sales will end the year at 2.3 million, slightly below last year's 2.35 million.

Spain was up 6.2 percent for the month, to 51,800 units, signaling a turnaround. But analysts do not believe the Spanish market will recover fully until 1992.

For the nine-month period, Spanish sales were 665,900, off more than 100,000 units from a year earlier.

The Volkswagen Group continued to dominate European sales with a nine-month total of 1.73 million, up 8.4 percent from last year.

"We used to have discussions at this time of the year about who would win in sales, but no one can touch VW now," Lawson said.

Fiat regained second place, which it lost to GM in August with nine-month sales of 1.34 million units, down 10.4 percent from last year.

Ford held onto third place with 12.2 percent of the market.

General Motors slipped into fourth place.

EUROPEAN SALES

Manufacturer	9 months, 1991	1991 share[1]	9 months, 1990	Volume change (%) '91 vs. '90
Volkswagen	1,726,500	16.00	1,592,700	+ 8.40
Fiat Auto[2]	1,348,700	12.60	1,505,500	−10.40
Ford[4]	1,308,860	12.20	1,222,300	+ 7.00
(Jaguar	9,960	0.09	15,300	−35.10)
General Motors[3]	1,282,900	12.60	1,203,200	+ 6.00
Peugeot S.A.[5]	1,240,400	12.00	1,333,800	− 7.00
Renault	1,048,800	9.80	1,011,500	+ 3.70
Mercedes-Benz	364,000	3.40	332,400	+ 9.50
Nissan	358,500	3.40	311,300	+15.19
BMW	315,500	3.00	285,000	+10.70
Toyota	292,800	2.70	288,600	+ 1.50
Rover	279,600	2.60	316,700	−11.70
Mazda	236,500	2.20	221,700	+ 6.60
Volvo	154,000	1.40	187,800	−18.00
Mitsubishi	155,400	1.50	137,100	+13.34
Honda	134,500	1.30	126,500	+ 6.40
Suzuki	80,200	0.80	78,000	+ 2.80
Lada	81,300	0.80	81,000	+ 0.30
Subaru	42,000	0.40	39,600	+ 6.00
Daihatsu	43,100	0.40	32,000	+35.00
Saab	39,100	0.40	44,400	−11.90
Skoda	39,100	0.40	21,200	+85.70
Isuzu (non-GM)	3,100	0.03	5,000	−37.70
Others	139,240	0.10	106,200	+31.10
Total	**10,714,400**	**100.00**	**10,483,500**	**+ 2.20**

1-doesn't total 100% because of rounding
2-Includes Alfa Romeo, Lancia
3-Opel, Vauxhall; GM-U.S., Canada; Isuzu; not Saab
4-Includes Jaguar
5-Peugeot, Citroen, Talbot

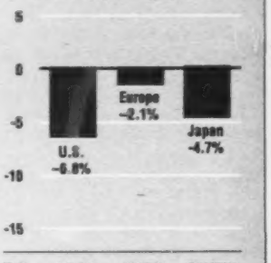
NEW-CAR SALES BY COUNTRY IN EUROPE

Country	9 months, 1991	Pct. change vs. 1990
Germany	3,400,000	+44.00
Italy	1,818,300	− 2.70
France	1,507,200	−13.00
United Kingdom	1,332,300	−21.50
Spain	665,900	−14.00
Netherlands	422,000	+ 0.01
Belgium-Luxembourg	409,600	− 0.10
Austria	243,400	+ 3.60
Switzerland	245,400	− 5.80
Portugal	169,700	+10.40
Sweden	136,900	−23.50
Greece	117,200	+37.50
Finland	74,700	−36.40
Denmark	66,800	—
Ireland	60,700	−16.00
Norway	40,400	−14.00
Total	**10,714,000**	**+ 2.20**

Global tally

SEPTEMBER 1991

Chart compares change in unit sales for car and light-truck market to year-ago period.



	U.S.	Europe	Japan
Units	1,048,220	900,000	781,689*

* Includes minicars and minitrucks, which are not sold in U.S. or Europe

CHARLOTTE WINTER / AUTOMOTIVE NEWS

As east German savings dry up, so do sales

DIANA T. KURYLKO
Staff Reporter

FRANKFURT — As expected, new-car sales in the former East Germany have turned sharply lower as savings there dry up and demand falls to a level that more realistically reflects the region's deep economic problems.

Although final figures are not yet available, preliminary data show that sales in the five eastern states in June peaked at more than 100,000 units and have since dropped to about 70,000 a month.

According to Edmund Chew, an analyst with DRI/McGraw-Hill in Frankfurt, new-car orders have fallen to an annualized level of 400,000 to 500,000.

East German sales have been included in German totals since July 1990, but figures for the reunified states are only available through May. For the first five months of 1991, sales in the new states totaled 324,298; 231,000 units were sold from July to December.

Chew predicts German sales will hit 4.15 million units this year, including 800,000 in the east. But sales will fall to 3.5 million units next year, with most of the decline reflecting a sharp falloff in the eastern states, he said.

The type of autos selling in the east are dramatically different than those in the west, he said.

"Sales are strongly focused near the lower end," he said. "They are buying Skoda and Lada, cheaper imports like Seat and Europeans like Renault and Fiat," Chew said.

The registration data show that Adam Opel AG is the sales leader in the east, with a share of 17.9 percent, more than 3 points higher than No. 2 Volkswagen's 14.6 percent. The General Motors marque has topped Volkswagen because of "aggressive pricing," Chew said.

Ford Motor Co., with an 11 percent share, is No. 3, followed by Renault, with 10 percent.

The Japanese have not made major inroads because their cars are higher priced, Chew says.

One similarity stands out: Red is the most popular color in the east and west, he said.

KIA

Koreans want U.S. dealers

continued from PAGE 1

and preferences of U.S. customers. We placed special emphasis on reliability," Kim said.

The move has been expected. Earlier this year, Kia established an office in Irvine, Calif., to study the U.S. market. An employee last week said the office employs six people, all Korean.

Kia, which is 10 percent owned by Ford and 8 percent by Mazda Motor Corp., sells its Pride in the U.S. market as the Ford Festiva. But the Korean carmaker has been known to be unhappy with the limited volumes produced by the Festiva, which first went on sale in the United States in 1987.

Festiva sales for the nine months through September were off 35.1 percent from a year earlier, to 28,234 units.

Kia will unveil the new models — the Sportage, a sport-utility vehicle, and the Sephia, a four-door sedan that also will be available as a convertible — at the Tokyo motor show this week.

Kim said the company's outside consultants have recommended a simultaneous launch of the cars in the U.S. and Canadian markets, with an initial focus on California and other Sun Belt markets, according to Kim.

"The report is almost completed," he noted. "Once it is submitted, it will take 18 to 24 months to develop the management information system and set up the dealer network," he added.

Although Kim did not provide figures on either the projected cost of the venture or the number of dealers Kia would seek, he said, "Money is the only limitation."

Kim made clear he was referring to the Korean government's current tight-money policy, which has sent lending rates to 20 percent. In addition, major borrowers like Kia have been barred from tapping overseas capital markets for fear the inflow of capital will fan inflation.

Despite the difficulties imposed by the credit crunch, Kia's U.S. launch plans are on track, Kim said. Among the priorities at the moment is assembling the right team, he said.

A short list of Kia candidates for the top slot in the United States has been drawn up, said Kim Seung-Ahn, senior managing director of overseas sales. And a search is about to begin for an American chief operating officer.

The company also has embarked on a search for a U.S. advertising agency, he said.

According to the chairman, Kia's U.S. image will be anchored on high quality, price and superior service. Without a commitment to these three points, "We couldn't win (the customers') attention," the chairman added.

Asked about pricing strategy, the chairman conceded that the company will be up against a widespread perception in the American market that Korean cars should be priced "10 percent lower" than Japanese models of a comparable class.

"It's a fact that we should accept: Korean cars are cheaper," he said.

Ranking export markets in order of importance, the chairman explained the United States will continue as Kia's most important, followed by Europe and Southeast Asia.

Earlier this year, Kia launched the Pride in the United Kingdom, where it will be sold through 150 Mazda dealers. However, there are no plans to build a European plant, noted the chairman.

In Southeast Asia, Kia assembles kits in Taiwan with Ford Lio Ho.

Kia also is gearing up for the Japanese market, where it has already tested the waters with trial shipments of Festivas. In 1992, the company is targeting 4,000 units to be sold through the Autorama chain in Japan.

"We see it as a marketing test," Kim explained.

The company also will show its new 2.4-liter engine at the Tokyo show this week.

According to Lee Han-Baik, Kia's vice president for research and development, the aluminum head engine will replace the Mazda-designed engines that initially will power the Sportage and the Sephia.

Kia's aggressive push to develop new models independently of its two equity partners, Ford and Mazda Motor Corp., will not adversely affect the relationship with the partners, said the chairman.

The Festiva/Pride replacement is being jointly developed by Ford, Mazda and Kia, he said. He added that the Festiva export agreement with Ford will continue until the end of the decade.

"We'll continue joint projects with (Mazda and Ford) while pursuing a parallel independent path," he explained.

The Sportage is being developed with assistance from the U.S. studio of Britain's I.A.D. and Michigan-based Modern Engineering. The vehicle will come in two- and four-door versions and will go into production in 1993. It will be powered by a 16-valve, 2.0-liter, twin-cam 4-cylinder engine.

British engineering consultants Hawtal Whiting and Lotus were employed in the development of the Sephia. To be introduced first on the Korean market in 1992, the four-door sedan will be powered by a 1.5-liter engine while the convertible will be equipped with a 1.8-liter engine.

INCENTIVE WATCH — CUSTOMER INCENTIVES

CONTINUING PROGRAMS

CHRYSLER CORP.
All programs expire Dec. 31. Finance rates in lieu of rebates start at 6.9 percent on minivans, 4.9 percent on other models.

1992 models

Chrysler Imperial, New Yorker Fifth Avenue	$1,000
LeBaron coupe, New Yorker Salon	$750
LeBaron sedan	$500
Dodge Monaco	$1,500
Dynasty	$1,000
Shadow conv.	$750
Shadow highline, Daytona, Spirit	$500
Shadow America, Colt	$300
Dodge Ram pickup (gas engine), Ram van conversion, Ramcharger	$1,000
Ram van and wagon, Dakota	$750
Ram 50	$300
Eagle Premier	$1,500
Talon, Summit 4-dr.	$500
Summit 3-dr.	$300
Jeep Cherokee	$1,000
Comanche	$750
Wrangler	$500
Plymouth Sundance highline	$500
Acclaim, Laser	$500
Sundance America	$300

1990-91 models

Chrysler Imperial	$2,000
New Yorker Fifth Avenue and Salon, LeBaron sedan	$1,500
LeBaron coupe and conv.	$1,000
Dodge Shadow conv.	$2,000
Spirit, Monaco, Dynasty	$1,500
Daytona	$1,250
Colt GL, Shadow highline	$1,000
Shadow America, Colt	$700
Dodge Ran van conversion, Ram pickup (gas engine), Ramcharger	$1,500
Ram wagon, Ram van	$1,250
Dakota	$1,000
Ram 50	$750
Eagle Talon TSi, Premier	$1,500
Other Talon	$1,200
Summit 4-dr., Summit ES 3-dr.	$1,000
Summit base 3-dr.	$750
Jeep Cherokee, Grand Wagoneer	$1,500
Comanche	$1,000
Wrangler	$500
Plymouth Acclaim, Laser RS Turbo	$1,500
Other Laser	$1,200
Sundance highline	$1,000
Sundance America	$700
All awd minivans	$1,000
All 2wd minivans	$500

FORD MOTOR CO.

1992 models
Expires Dec. 3. In lieu of rebates, 4.8 percent loans on Probe, 7.9 on other Ford and Mercury; no finance incentive on Lincoln.

Ford Festiva, Mustang, Taurus	$500
Tempo*	$500
Thunderbird, Crown Victoria	$750
Escort GT and LX-E**	$750
Probe, Taurus SHO	$750
Aerostar*	$500
F series	$500
Ranger	$750
Bronco	$1,000
Mercury Sable	$500
Topaz*	$500
Tracer LTS*	$750
Capri, Cougar, Grand Marquis	$750
All Lincoln	$1,000

*Tempo, Topaz and Aerostar — $1,000 or 7.9 percent loan in Northeast.
**Escort Pony and LX and Tracer sedan and wagon — $500 or 7.9 percent loan in Central and Great Lakes regions.

1990-91 models
1990-91 Ford models and 1991 L-M models, expires Dec. 3. In lieu of rebate, 4.8 percent loans on Festiva and Probe, 7.9 percent on other Ford and Mercury. No finance incentive on Lincoln.

Ford Escort (except GT), Mustang, Taurus, Tempo, Thunderbird	$400
Escort GT, Taurus SHO	$600
Festiva, Probe	$1,000
Aerostar*	$400
Ranger, F series, Econoline E-150 (except RV)	$400
Bronco, Econoline E-150 (RV)	$1,000
Mercury Tracer (except LTS), Topaz, Sable, Cougar	$400
Tracer LTS	$600
Capri	$1,000
All Lincoln	$2,000

*Aerostar — $1,000 or 7.9 percent loan in Northeast.

GENERAL MOTORS
Expires Feb. 4. Finance rates inlieu of rebates start at 4.9 percent for Buick, Oldsmobile and Pontiac; 6.9 percent for Chevrolet and GMC.

1992 models

Buick Skylark*	$250-750*
Century, Regal*	$250-1,000*
Riveria	$2,000
Chevrolet Caprice	$1,000
Geo Metro and Storm	$750
Geo Prizm, Camaro, Beretta, Lumina	$500
Cavalier	$300
G van, S/T Blazer, Lumina APV	$1,000
Geo Tracker, Astro; S/T pickup	$750
C/K pickup	$500
GMC G-van, S15 Jimmy (except Typhoon)	$1,000
Sonoma (except Cyclone, GT), Safari	$750
Sierra (except Crew Cab)	$500
Oldsmobile Cutlass Ciera (national)	$1,000
Regional programs, various models	$500-2,000
Pontiac Trans Sport	$1,000
Grand Prix	$750
LeMans, Firebird	$500

*Based on option package selected.

1991 models

Chevrolet Caprice	$1,000
Geo Metro, Camaro	$750
Geo Storm and Prizm, Beretta, Lumina	$500
Cavalier, Corsica	$300
V Blazer, Suburban, G-van, S/T Blazer, Lumina APV	$1,000
Geo Tracker, Astro, S/T pickup, R/V and C/K pickups	$500
GMC V Jimmy, Suburban	$1,500
S15 Jimmy, G-van, Safari	$1,000
Sonoma (except Cyclone)	$750
Sierra, R/V pickups	$500
Oldsmobile - regional programs, various models	$500-2,000
Pontiac Trans Sport, LeMans, Firebird	$1,000
Grand Prix	$750

HYUNDAI

49 states (expires Jan. 3)	
Sonata with SE pkg. (1991), Excel with SE pkg. (1991)	$500
Scoupe (1991), Excel base (1991)	$750
Other Excel (1991), Other Sonata (1991)	$1,000
California only (1991 models, expires April 2)	
Excel, Scoupe	$750-1,000
Sonata	$1,000-1,500
All states (1991 models, expires Jan. 3)	
All 1991 models if trade is a 1986-90 Hyundai	$1,000

MAZDA (car rebates expire Nov. 4; truck rebates expire Dec. 3)

RX-7 (1991)	$2,000
626 (1991-92)*	$1,000
Navajo (1991)	$1,000
Trucks (1992)	$1,000
MX-6 (1991-92)	$800
Protege (1990-91)*	$800

*Or 5.9 percent financing

MITSUBISHI (1990-91 models; expires Oct.31)

Mirage (S.E. and S.W. regions)	$750

SUBARU (expires Nov. 4)

Loyale 4wd (1991)	$500
Legacy (1991)	$1,200
XT, XT6 (1991)	$2,000

Acura, Suzuki, Hyundai stoke the rebate flames

incentive WATCH

Acura and American Suzuki Motor Corp. are paying factory-to-dealer incentives on select vehicles.

Hyundai Motor America, in addition to its previously announced national consumer rebate program, has a separate plan in California that includes consumer rebates and wholesale incentives to dealers.

Through Jan. 3, **Acura,** the luxury division of American Honda Motor Co. Inc., is offering incentives of $3,000 on the 1991 Legend coupe and $2,500 on the 1991 Legend sedan.

Suzuki's latest rebates are $700 to $1,000 on the 1991 Swift, $400 to $700 on the 1992 Swift, $500 to $1,000 on the 1991 Sidekick and $300 to $700 on the 1992 Sidekick.

In California only, **Hyundai** is offering consumers $750 to $1,000 on 1991 Excels, 1991 Sonatas and 1991 Scoupes through April 2. Also, Hyundai is paying a wholesale incentive of $300 to $500 to dealers who buy 1991 Excels, Sonatas and Scoupes. The wholesale program expires Nov. 11.

— Arlena Sawyers, Chris Eschenburg

INCENTIVE WATCH — DEALER INCENTIVES

NEW PROGRAMS

ACURA (1991 models, expires Jan. 3)

Legend sedan	$2,500
Legend coupe	$3,000

SUZUKI (expires Dec. 3)

Swift (1991)	$700-1,000
Swift (1992)	$400-700
Sidekick (1991)	$500-1,000
Sidekick (1992)	$300-700

CONTINUING PROGRAMS

ALFA ROMEO (expires Dec. 31)

164, 164L automatic (1991)	Up to $200 per car monthly in floorplan aid

GENERAL MOTORS

Chevrolet (expires Feb. 4)	
Caprice (1992)	$250-800, quota
Camaro (1992)	$300-750, quota
Corvette ZR-1 (1992)	$2,000
Other Corvette (1992)	$1,000
Corvette ZR-1 (1991)	$3,000
Other Corvette (1991)	$2,000
Cadillac Allante (1991) (no expiration date)	$7,500 on first sale, $8,500 on additional sales
Pontiac Sunbird	$300

CHRYSLER CORP. (expires Dec. 31)

Eagle Talon (base, 1991-92)	$750
Jeep Cherokee Laredo (1991-92)	$1,000

HYUNDAI (California only, 1991 models, expires Nov. 30)

Excel	$300
Sonata	$400
Scoupe	$500

Payment is for models purchased from Hyundai Motor America.

ISUZU (1991-92 models, unless otherwise noted; expires Dec. 31)

Cars*	$800-1,800
All pickups*	$1,000-1,500
4x4 pickups (bonus, 1990-91)	$500
Trooper*	$1,500-1,800
Rodeo*	$00-500

*Based on number sold

LOTUS (1991, no expiration date)

Elan	$5,000
Esprit Turbo	$11,000-15,000

MAZDA (1991 models; expires Nov. 4)

929	$2,000
323 (low-volume dealers)	Up to $500

MERCEDES-BENZ (1991 models, no expiration date listed)

300SE, 300SD, 300SDL, 300SEL	$3,000
420SEL, 560SEL	$5,000

MITSUBISHI (1990-91 models; rebates and terms vary by regions; programs expire Oct. 31)

Mirage	$250-1,500
Eclipse	$300-1,200
Galant	$300-2,100
Montero	$400-3,000
Pickups	$400-2,300

NISSAN (1991 models; expires Feb. 2, 1992)

300ZX	$2,500-3,500, quota

PEUGEOT (no expiration date)

405	$5,000
505	$6,000

SUBARU (1991 models; expires Nov. 4)

Legacy	$100-1,600, based on number sold

STERLING (no expiration date)

All models	$8,000*

*Or $3,000 if customer chooses 0 percent financing

TOYOTA (expires Nov. 4)

Corolla (1990-92)	$200-900, quota
Camry (1990-91)	$200-900, quota
Pickups	$200-1,300, quota

VOLKSWAGEN (No expiration date)

Passat (1991)	$1,500
Jetta, Fox, Golf (1991)	$500
All 1990 cars	$500-1,500

VOLVO (1991 models; expires Oct. 31)

740 series	$750-1,500
940 series	$1,500-2,500
780 coupe	$2,500

SCHEDULED PLANT CLOSINGS

Plant	Weeks down	Units lost/ week
CHRYSLER		
Bramalea, Ontario	**10/21**	
Dodge Monaco		380
Eagle Premier		1,005
Pillete Road (Windsor, Ontario)	**10/21, 10/28**	
Dodge Ram Van		400
Dodge Ram Wagon		1,300
FORD		
Kentucky Truck (Louisville)	**10/21**	
Ford heavy trucks		1,000
Total Canada car		**1,385**
Total U.S. truck		**1,000**
Total Canada truck		**1,700**
Total units lost week of 10/21		**4,085**

Source: Automotive News Data Center

SPEAKERS

World Congress list has Breed, Cole, Farr

continued from PAGE 3

aged manufacturing and design engineering at Radio Corp. of America. In 1955, he moved to Gruen Watch Co., where he designed safety and arming devices for the Department of Defense.

Breed founded Waltham Engineering in 1957, resigning in 1961 to form Breed Corp.

David Cole has done extensive research on internal combustion engines, vehicle design and overall industry trends. His recent research has focused on strategic issues relating to competitiveness in the international environment.

The Office for the Study of Automotive Transportation provides academic research, information resources, industry analysis and communication forums.

Farr employs 227 people at four dealerships, including Mel Farr Ford Inc. in Oak Park, Mich., Mel Farr Lincoln-Mercury in Waterford, Mich., Mel Farr Toyota in Bloomfield Hills, Mich., and Mel Farr Ford Inc. in Fairfield, Ohio.

He was listed No. 5 in gross sales among black auto dealers in the United States in the June 1991 issue of *Black Enterprise* magazine.

Farr is co-founder and chairman of the Black Ford-Lincoln Mercury Dealers Association and chairman of the National Association of Minority Auto Dealers.

He played with the National Football League's Detroit Lions from 1967 to 1974.

For further information on the Automotive News World Congress, write Wendy Barhydt, Automotive News World Congress, UMTRI/OSAT, 2901 Baxter Road, Ann Arbor, MI 48108-2150. The telephone number is 313-764-5592.

Ford extends SHO clutch warranty

DEARBORN, Mich. — Ford Motor Co. is giving owners of about 26,000 1989 and 1990 Taurus SHOs extended warranty coverage on the clutch for two years/24,000 miles, or six months from the date of notification, whichever benefits the owner more.

Ford said during shifting, some owners may experience clutch slippage, high pedal effort and gear noise. A revised clutch assembly will be installed to correct the problems. Reimbursement will be provided for previous repairs.

U.S. AND CANADA CAR AND TRUCK PRODUCTION

Vehicles are domestic unless noted. Vehicles are cars unless noted.

	Est. 10/14-10/19/91	Actual 10/7 10/12/91	10/1-10/19/91	Year 1/1-10/19/91	Year 1/1-10/20/90
LeBaron A	0	0	0	0	8,071
LeBaron J	250	298	715	19,800	43,710
New Yorker	900	859	2,239	7,461	31,752
Fifth Avenue	1,600	1,617	4,159	25,732	28,691
Imperial	300	318	840	7,151	15,624
Town & Country (trk.)	50	93	246	3,431	2,078
Total Chrysler	**3,100**	**3,185**	**8,199**	**63,575**	**129,926**
Horizon	0	0	0	0	4,327
Sundance	1,700	1,840	5,019	51,069	71,829
Acclaim	1,800	1,843	5,155	65,555	92,849
Voyager (trk.)	2,200	2,343	6,741	78,155	68,551
Voyager (Can. trk.)	2,035	2,232	6,331	88,651	80,619
Total Plymouth	**7,735**	**8,258**	**23,246**	**283,430**	**318,175**
Omni	0	0	0	0	4,078
Daytona	500	511	1,296	6,575	29,100
Shadow	1,900	2,039	5,490	56,583	79,737
Dynasty	2,000	2,185	5,995	97,392	96,311
Spirit	2,000	2,460	6,447	62,292	83,435
Monaco (Can.)	123	0	123	8,364	8,556
Caravan (trk.)	2,400	2,374	7,097	91,754	73,851
Caravan (Can. trk.)	3,080	3,630	9,648	117,038	99,969
Caravan C/V (trk.)	50	108	245	2,830	4,171
Caravan C/V (Can. trk.)	85	92	256	12,915	5,715
Dakota (trk.)	3,550	3,916	9,847	76,249	59,488
Ram pickups (trk.)	1,150	1,315	3,240	61,117	86,746
Ram Wagon (Can. trk.)	360	462	1,188	16,259	17,594
Ram Van (Can. trk.)	1,208	1,498	3,897	35,248	50,046
Total Dodge	**18,406**	**20,590**	**54,770**	**644,617**	**698,797**
Premier (Can.)	327	0	327	8,752	10,123
Cherokee (trk.)	4,250	4,344	12,053	120,303	125,509
Comanche (trk.)	150	121	356	4,323	7,245
Grand Wagoneer (trk.)	0	0	0	1,539	5,594
Wagoneer (trk.)	20	43	98	2,280	3,165
Wrangler (Can trk.)	1,272	1,296	3,863	50,263	47,322
Total Jeep-Eagle	**6,019**	**5,804**	**16,697**	**187,460**	**198,958**
Total U.S. car	**12,950**	**13,970**	**37,354**	**399,609**	**589,514**
Total Can. car	**450**	**0**	**450**	**17,116**	**18,579**
Total U.S. truck	**13,820**	**14,657**	**39,923**	**441,981**	**436,398**
Total Can. truck	**8,040**	**9,210**	**25,184**	**320,375**	**301,265**
CHRYSLER CORP.	**35,260**	**37,837**	**102,912**	**1,179,082**	**1,345,856**
Escort	5,708	0	10,402	166,110	199,885
Mustang	2,041	1,436	3,477	71,091	109,836
Tempo	3,039	0	5,463	91,955	105,299
Tempo (Can.)	2,632	2,808	5,440	87,314	91,739
Taurus	7,199	7,265	20,438	265,622	279,572
Thunderbird	2,908	0	2,908	61,242	94,170
Crown Victoria (Can.)	1,718	2,195	5,567	76,323	97,522
Aerostar (trk.)	3,976	3,931	11,062	141,352	173,270
Bronco (trk.)	709	715	1,986	15,534	41,646
Explorer/Bronco II (trk.)	7,659	6,440	19,214	225,370	162,131
Navajo (trk.)	258	196	639	9,670	5,544
Econoline (trk.)	4,567	3,940	11,064	113,195	149,510
Heavies (trk.)	1,036	0	1,850	26,602	42,405
Light trucks (trk.)	10,893	8,963	27,546	260,249	377,534
Light trucks (Can. trk.)	2,432	0	4,818	75,849	111,605
Ranger (trk.)	7,526	4,378	17,333	222,396	232,124
Total Ford Div.	**64,301**	**42,267**	**149,205**	**1,909,872**	**2,273,792**
Topaz	1,317	0	2,202	37,918	39,769
Topaz (Can.)	1,109	1,109	2,218	29,023	34,475
Cougar	1,412	0	1,412	46,234	63,334
Sable	3,207	3,187	8,758	86,375	86,608
Grand Marquis (Can.)	2,132	2,625	7,358	85,618	90,780
Total Mercury	**9,177**	**6,921**	**21,948**	**285,188**	**314,966**
Continental	1,181	1,194	3,325	45,449	48,734
Mark VII	209	206	578	7,969	16,309
Town Car	2,778	2,800	7,816	106,896	122,537
Total Lincoln	**4,168**	**4,200**	**11,719**	**160,314**	**187,580**
Total L-M Div.	**13,345**	**11,121**	**33,667**	**445,482**	**502,546**
Total U.S. car	**30,999**	**16,088**	**66,778**	**986,860**	**1,166,053**
Total Can. car	**7,591**	**8,737**	**29,583**	**278,278**	**314,516**
Total U.S. truck	**36,624**	**28,563**	**90,883**	**1,014,367**	**1,184,164**
Total Can. truck	**2,432**	**0**	**4,818**	**75,848**	**111,905**
FORD MOTOR CO.	**77,646**	**53,388**	**182,872**	**2,355,354**	**2,776,338**
Skylark	1,980	1,551	4,729	9,213	75,782
Century	2,771	2,332	6,987	78,554	55,681
Regal (Can.)	3,000	3,217	8,487	101,847	80,047
Riviera	390	262	857	39,324	18,306
Park Avenue/Electra	2,092	1,842	5,412	39,763	48,083
LeSabre	3,810	3,983	10,647	87,638	132,390
Roadmaster Sedan*	1,288	1,299	3,492	54,909	0
Roadmaster Wagon†	320	292	862	19,767	4,022
Reatta	0	0	0	1,205	5,277
Total Buick	**15,651**	**14,778**	**41,473**	**432,220**	**419,588**
Eldorado	805	542	1,803	10,217	17,505
Seville	872	617	1,944	19,235	28,373
Brougham	552	561	1,528	17,226	25,631
DeVille	3,718	3,724	10,377	127,552	133,105
Allante	63	63	177	2,440	3,113
Total Cadillac	**6,010**	**5,507**	**15,830**	**176,671**	**207,727**
Cavalier	5,726	6,151	15,989	205,034	281,077
Camaro	1,399	1,355	3,870	44,281	62,494
Celebrity (Can.)	0	0	0	0	20,319
Corsica-Beretta	4,880	5,348	13,778	193,776	234,204
Lumina (Can.)	5,800	6,061	16,446	191,113	177,862
Caprice	2,440	2,243	6,664	108,279	181,868
Corvette	480	480	1,344	16,939	19,396
Astro (trk.)	2,710	2,557	7,197	79,952	106,888
Blazer (trk.)	116	67	198	5,790	13,964
Lumina APV (trk.)	1,772	2,102	5,308	38,467	70,981
Mediums (trk.)	218	0	218	1,654	7,359
P-Model (trk.)	0	0	0	15,607	17,306
Pickups (trk.)	6,715	6,595	17,818	235,476	347,765
Pickups (Can. trk.)	3,000	3,326	9,310	113,959	136,888
S10 (trk.)	7,218	6,634	18,545	209,589	196,084
S10 Blazer (trk.)	2,921	1,928	6,351	34,727	64,809
Sportsvan (trk.)	1,125	1,361	3,583	34,556	50,087
Sportsvan (Can. trk.)	1,200	1,516	4,001	42,578	41,159
Suburban (trk.)	50	11	114	21,235	56,202
Total Chevrolet	**47,770**	**47,735**	**130,711**	**1,593,009**	**2,086,732**
Calais	0	0	0	34,616	84,399
Cutlass Ciera	3,801	3,209	9,566	82,124	58,168
Cutlass Ciera (Can.)	0	0	0	41,161	63,053
Cutlass Supreme	3,150	2,558	7,835	86,520	77,544
Toronado	229	151	500	4,220	12,768
88	2,928	2,792	7,842	71,438	85,716
Custom Cruiser Wag.††	160	138	425	7,024	1,223
98	1,482	1,476	4,136	63,717	37,596
Silhouette (trk.)	498	588	1,457	16,517	26,564
Bravada (trk.)	265	220	642	11,991	0
Total Oldsmobile	**12,513**	**11,132**	**32,463**	**419,328**	**447,831**
Sunbird	2,630	2,791	7,362	95,756	133,037
Grand Am	4,760	4,607	11,993	104,810	177,048
Firebird	601	561	1,646	16,913	36,839
Grand Prix	3,364	3,358	9,373	89,293	100,317
Pontiac 6000	0	0	0	19,939	45,751
Bonneville	3,536	2,954	9,236	64,356	64,694
Trans Sport (trk.)	1,107	1,307	3,288	24,127	38,822
Total Pontiac	**15,998**	**15,578**	**42,898**	**415,194**	**596,508**
Jimmy (trk.)	34	21	60	1,655	4,244
Mediums (trk.)	312	0	312	3,349	7,150
P-Model (trk.)	0	0	0	1,939	2,305
Pickups (trk.)	2,307	1,632	5,338	96,436	122,478
Pickups (Can. trk.)	1,000	1,260	2,966	42,158	51,449
Sonoma (trk.)	1,353	1,124	3,411	48,347	43,084
S15 Jimmy (trk.)	964	697	2,299	12,524	22,172
Safari (trk.)	890	707	2,396	32,150	37,134
Suburban (trk.)	15	6	37	17,055	27,277
Vandura (trk.)	490	525	1,421	15,208	18,953
Vandura (Can. trk.)	250	360	1,013	17,576	16,492
Total GMC	**7,615**	**6,332**	**19,253**	**288,397**	**352,738**
Total Saturn*	**3,650**	**3,650**	**10,220**	**75,055**	**2,025**
Total U.S. car	**53,877**	**50,890**	**170,574**	**1,891,133**	**2,243,432**
Total Can. car	**8,800**	**9,278**	**24,932**	**334,128**	**341,281**
Total U.S. truck	**31,080**	**28,082**	**79,991**	**958,349**	**1,281,548**
Total Can. truck	**5,450**	**6,462**	**17,290**	**216,271**	**245,988**
GENERAL MOTORS	**109,207**	**104,712**	**292 788**	**3,399,874**	**4,112,349**
Can. car	2,200	2,400	6,574	88,416	9,350
Can. trk.	1,300	1,550	4,118	41,505	7,150
CAMI*	**3,500**	**3,950**	**10,692**	**129,921**	**16,500**
DIAMOND-STAR*	**3,407**	**3,439**	**8,998**	**123,297**	**122,350**
Civic	1,437	908	2,625	65,583	87,357
Civic (Can.)	1,760	1,937	5,465	85,823	0
Accord	7,893	8,298	22,923	299,980	267,642
Total U.S. car	**9,330**	**9,206**	**25,548**	**365,563**	**355,039**
Total Can. car	**1,760**	**1,937**	**5,465**	**85,823**	**84,982**
HONDA	**11,090**	**11,143**	**31,013**	**451,386**	**439,121**
HYUNDAI Sonata (Can.)	**690**	**621**	**1,808**	**20,894**	**19,048**
MAZDA*	**4,033**	**4,045**	**11,227**	**132,427**	**146,889**
U.S. trk.	1,695	0	2,939	52,660	59,365
Can. trk.	132	0	264	5,585	7,277
NAVISTAR	**1,827**	**0**	**3,203**	**58,245**	**66,642**
Sentra	2,860	2,841	8,406	107,958	71,949
Pickup (trk.)	2,756	2,791	8,225	106,722	114,298
NISSAN	**5,616**	**5,632**	**16,630**	**214,679**	**186,247**
Geo Prizm	1,850	1,820	5,154	73,874	81,631
Toyota Corolla	2,450	2,340	6,728	84,389	82,743
Toyota Hilux (trk.)	150	121	357	582	0
NUMMI	**4,450**	**4,281**	**12,239**	**158,845**	**164,374**
Legacy	1,261	1,255	3,547	46,620	24,369
Pickup (trk.)	586	588	1,621	21,290	0
Rodeo (trk.)	888	840	2,363	23,506	0
Total U.S. car	**1,261**	**1,255**	**3,547**	**46,620**	**24,369**
Total U.S. trk.	**1,474**	**1,428**	**3,984**	**44,796**	**29,986**
SUBARU-ISUZU	**2,735**	**2,683**	**7,532**	**91,417**	**51,355**
Camry	3,740	3,108	8,759	147,816	178,379
Corolla (Can.)	1,400	1,461	4,012	53,282	48,387
TOYOTA	**5,140**	**4,569**	**12,771**	**201,098**	**226,766**
VOLVO 740,940 (Can.)	**120**	**150**	**374**	**6,283**	**6,430**
AM GENERAL (trk.)	**400**	**400**	**1,120**	**16,690**	**18,990**
MISCELLANEOUS (trk.)**	**2,600**	**2,600**	**7,280**	**109,920**	**129,600**
Total U.S. car	**136,757**	**119,002**	**353,673**	**4,359,546**	**5,062,267**
Total Canada car	**23,011**	**24,584**	**64,198**	**884,212**	**841,765**
Total U.S.-Canada Car	**159,768**	**143,586**	**417,272**	**5,243,759**	**5,904,032**
Total U.S. truck	**90,599**	**78,642**	**234,512**	**2,746,987**	**3,241,540**
Total Canada truck	**17,354**	**17,222**	**51,674**	**658,585**	**673,285**
Total U.S.-Canada truck	**107,953**	**95,864**	**286,187**	**3,405,653**	**3,914,824**
TOTAL U.S.	**227,356**	**197,644**	**587,586**	**7,106,614**	**8,303,816**
TOTAL CANADA	**40,365**	**41,806**	**115,873**	**1,543,798**	**1,515,050**
TOTAL U.S.-CANADA CAR & TRUCK	**267,721**	**239,450**	**703,458**	**8,649,411**	**9,818,866**

*Estimate †1990 totals reflect LeSabre (rwd) ††1990 totals reflect Olds. 88 (rwd)

*CAMI includes Geo Metro and Suzuki Swift cars and Geo Tracker and Suzuki Sidekick trucks; Diamond-Star includes Eagle Summit and Talon, Mitsubishi Eclipse and Mirage and Plymouth Laser; Mazda includes MX-6, 626 and Ford Probe.

**Estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz.

May contain error of one or two units due to rounding.

Output reaches 7 million

ROBIN-LYN RAIMEY
Special Correspondent

The seven-millionth vehicle produced in the United States this year was built Oct. 16. Last year, the industry reached that figure on Sept. 11.

So far this year, 4,359,546 cars have been assembled, 13.9 percent below the the year-ago tally.

Car production in the United States was 136,757 last week, up 14.9 percent over the previous week and up 5.1 percent over 1990.

Year-to-date, 2,746,067 trucks have been built in the United States, 15.3 percent below the 1990 total of 3,241,549.

Last week's truck production was 90,599, up 15.2 percent over the previous week and up 16.1 percent over the 1990 week.

Canadian car production of 23,011 last week was 6.4 below the previous week's total, but it was up 3.5 percent over last year. Truck production in Canada was 17,354, last week, 132 more than the previous week, but down 10.2 percent from the year-ago week.

General Motors accounted for 46.7 percent of last week's car production in the United States, followed by Ford Motor Co., 22.7 percent; Chrysler Corp., 9.5 percent; Honda of America Manufacturing Inc., 6.8 percent; New United Motor Manufacturing Inc., 3.1 percent; Mazda Motor Manufacturing (USA) Corp., 3.0 percent; Toyota Motor Manufacturing (U.S.A.) Inc., 2.7 percent; Diamond-Star Motors Corp., 2.5 percent; Nissan Motor Manufacturing Corp. U.S.A., 2.1 percent, and Subaru-Isuzu Automotive Inc., 0.9 percent.

GM's Buick-Oldsmobile-Cadillac Group scheduled an overtime shift last Saturday at the Buick City plant in Flint, Mich., and the Lordstown, Ohio, car plant, and two shifts at the Wentzville, Mo., car plant.

GM's Chevrolet-Pontiac-Cadillac Group scheduled overtime last Saturday at its Doraville, Ga., and Oklahoma City car plants, and the GM Truck & Bus Group scheduled two Saturday overtime shifts at the Shreveport, La., and Moraine, Ohio, plants.

GM of Canada scheduled overtime last Saturday at the Oshawa, Ontario, No. 2. car plant, the Oshawa truck plant and the Scarborough, Ontario, truck plant.

Ford scheduled an overtime shift last Saturday at the Lorain, Ohio, truck plant, and worked daily overtime in addition to a Saturday shift at the Kansas City and Louisville, Ky., truck plants.

Chrysler scheduled two overtime shifts last Saturday at the St. Louis No. 2 truck plant. The Warren, Mich., truck plant worked daily overtime and was scheduled to work last Saturday.

Honda of America Manufacturing Inc. scheduled overtime last Saturday at Marysville, Ohio.

NOTE

ONLY THE FOLLOWING PAGES OF THIS

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